

What is a "Do-It-Yourself" Vanpool?

his guide was written for those who wish to own or lease their own vans and operate vanpools that recover the commute portion of their fixed and operating costs, and not for profit.

Washington State laws define a "commuter ride sharing group" as a prearranged, fixed group of no more than fifteen people. The group commutes from home (or a prearranged meeting place) to work, school, or other institution and back in a single, round trip in which the driver is also commuting.

Under this definition, there are several categories of groups that qualify for vehicle tax exemptions if they meet certain legal requirements. Vanpools generally fit under the legal category of "commuter ridesharing for seven to fifteen persons." For more information about vehicle tax exemptions and categories see

Chapter Three of this book and the Exempt Category Descriptions in Appendix B.

In an owner-operated vanpool, members share the ride to and from work in a van used primarily for commuting on a regularly scheduled basis. Riders are charged a monthly fare to compensate the driver for owning (or leasing), maintaining, and operating the van. The driver is a working commuter who shares the ride; he or she is not a professional driver and needs no special operator or business license.

State Legal Considerations

Washington State deregulated vanpooling with the "1979 Ridesharing Act," which created Revised Code of Washington (RCW) 46.74 and modified several state laws. This and other pertinent RCWs are included in Appendix C in the back of this book. This legislation took commuter vanpooling out of the "forhire" and "auto transportation

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companies" category of transportation. A taxi, for instance, is considered a "for-hire" vehicle and is regulated by local ordinance. A charter bus, for example, falls under the "auto transportation" category and is regulated by the Washington Utilities and Transportation Commission. A vanpool is exempt from either category if:

- **1.** It is not operated for profit.
- **2.** You have a prearranged, fixed group of 7 to 15 people.
- **3.** You commute together on a regular (not necessarily daily) basis, making only one single round trip on any given day.

Federal Legal Considerations

Federal regulation of vanpooling applies only if the vanpool is operated for profit and it crosses state lines. Therefore, federal regulations need not be considered by vanpoolers operating under the Washington State laws described in this publication.

Profit (as opposed to shared

expense) is defined in federal regulations as any payment for services, or any compensation for use of the van which exceeds actual commute portions of owning and operating costs. For example, the owner-operator cannot be paid for services as a driver or bookkeeper for the vanpool operation. The driver may consider his or her time and function as the driver contribution, and the riders simply share what would have been the owner's out-of-pocket expense for owning and operating a van during a normal commute. See Chapter Five for details on driver reimbursement and how to determine fares.

Most-Asked Questions

What constitutes prearranged?

The owner must know in advance who is eligible to ride in the vanpool. While five-day-a-week participation is not mandatory, the owner must be able to list the names of those who have made standing arrangements to participate

regularly. Allowances can be made for absenteeism and vacations.

Must all riders share a common destination?

No. The destinations may be places of employment, schools or colleges, or institutions where a vanpooler does volunteer work. The riders and driver may be a mixture of workers, students, and volunteers. Riders may be picked up at various points and discharged at various destinations. Park and Ride lots are common pick up and drop off points. As owner, you must also be on your way to work, to school, or to the place where you do volunteer work. Regardless of the number of destinations, you may make only a single round trip per day.

Is a special driver's license required?

No. A standard Washington State Driver's License will suffice. We do, however recommend a defensive driving course. Contact your local transit agency or nearest National Safety Council branch for information.

Is a special vehicle license required?

Yes and no. The purchase of specialized Rideshare plates is optional. However, tax exemptions will not be permitted without them. Purchase of specially designated license plates is required of owner-operated vanpool vehicles to qualify for sales or use tax and motor vehicle excise tax exemptions as discussed in Chapter Three (Also see RCW 46.16.023 in Appendix C). The \$30 special plate fee can mean hundreds of dollars of savings each year in excise and sales or use tax. You may purchase these specialized license plates at any Washington State Department of Licensing office or local subagency. See Appendix B for a list of exempt categories. (Plate and other fees are subject to change, so check with your local licensing agency.)

Is a special license or permit required for vanpool operation?

No. A vanpool as outlined in this publication is not considered a business for state or local licensing or tax purposes.

Is mandatory drug testing required for drivers?

No. Currently, private vanpool drivers are subject to the same standard of care as any other licensed driver in Washington State.

Is the driver entitled to worker's compensation?

No. The driver is considered a volunteer as cited in RCW 51.08.013 (see Appendix C) and is not eligible.

Are vanpools exempt from other taxes?

Yes. As a shared-expense vanpool, the operation is exempt from Public Utility Tax per RCW 82.16.047 and the Business and Occupation Tax, RCW 82.04.355 (See Appendix C).

Can the van be used for other purposes?

To qualify for tax exemptions, your vehicle must be used primarily for commuting purposes. You are free to use your van for nearly any purpose you see fit during non-commute hours. Even during the work day, it may be used for business or errands. The one exception is that a vanpool vehicle qualifying for the tax exception cannot be used as a "for-hire" vehicle. Rider fares should be calculated only on the vehicle's fixed and operating costs for the portion of time it is used for commuting.

Where can I get detailed information about my legal, tax, and insurance questions?

This guide is meant to provide helpful information and examples about how to start and manage your own vanpool. References are made throughout to various agencies and contacts for obtaining further information. Appendix C contains RCWs current at the time of print. As it is not the intent of this guide to give formal legal, tax, or insurance advice, contact an IRS or tax consultant, or your insurance agent, for detailed information in any of these areas.

Other Vanpooling Options

If you decide owner-operated vanpooling is not for you, many transit agencies in Washington State operate vanpool fleets. You may be able to join an existing vanpool, or form one using their resources.

These publicly operated vanpool programs utilize volunteer drivers who are people like you, commuting to and from work. Each agency has a process through which you can apply to be a driver. They will check your driving record and other appropriate resources to determine if you qualify. Once you qualify, they will assist you in getting a

vanpool on the road.

The advantage to utilizing a public program is that they've done most of the work for you. Fares have been determined in advance. Public programs insure the vehicles and pay for fuel, oil, maintenance, and repairs. Most public programs allow one free fare per vanpool in exchange for the driver's duties. Drivers are generally allowed some use of the van at noncommute times for a nominal charge. See Appendix A for a list of the public vanpool programs in Washington State.

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